

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
AUGUST 13, 1998

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, August, 13, 1998. Members present were Norman Lowery, Chairman; (appointed by Governor on July 10, 1998) Tony Zaleski, Gary Smith, Ronald Depasse and David Baer. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; Kirk J. Schreiber, Sr. Bank Analyst; Gina R. Williams, Sr. Bank Analyst; Mark Powell, Supervisor, Credit Union Division; Mark Tarpey, Division Supervisor, Consumer Credit Division and Ronda Bailey, Administrative Assistant. Representing National City Bancshares, Inc., Evansville, Indiana was Mr. David Scharf. Mrs. Loretta Burd was absent.

I. PUBLIC SESSION

A.) Attendance

B.) Date of next meeting: September 24, 1998 at 9:00 a.m., EST.

Upon consent of the Members the staff recommended that the September 10 Members' Meeting be rescheduled for September 24 due to the absence of Director Charles Phillips and Mr. James Cooper. The staff also requested that the October 8 meeting be canceled. A motion for approval of these requests was made by Mr. Smith and seconded by Mr. Depasse. The request was unanimously approved.

C.) A motion was made for approval of the minutes of the meeting held on July 9, 1998, by Mr. Baer and was seconded by Mr. Zaleski. The minutes were unanimously approved.

DIVISION OF BANKS AND TRUST COMPANIES

1. National City Bancshares, Inc., Evansville, Vandurburgh County, Indiana

Ms. Gina R. Williams, Senior Bank Analyst, presented the application. David Scharf, with the law firm of Baker & Daniels, was introduced. Mr. Scharf was representing National City Bancshares, Inc.

National City Bancshares, Inc., ("National City") applied to the Members of the Department for approval to acquire 100% of Hoosier Hills Financial Corporation ("Hoosier Hills") Osgood, Ripley County, Indiana, and thereby acquire Hoosier Hill's wholly-owned bank subsidiary, The Ripley County Bank, Osgood, Ripley County, Indiana. The application was filed pursuant to IC 28-2-14. National City is a multi-bank holding company with financial institutions headquartered in Indiana, Kentucky, and Illinois.

National City and Hoosier Hills entered into an Agreement and Plan of Merger dated April 21, 1998. National City expects to issue shares of its common stock having a value of between \$59.63 and \$82.42 for each outstanding share of Hoosier Hills. The actual value of National shares will depend upon an average trading value of National City's common stock prior to the merger.

If the average value of National City stock is \$34.00 to \$47.00, each share of Hoosier Hills stock will convert into 1.7537 of National City common stock. If the average value is more than \$47.00, each share of Hoosier Hills will convert into National City shares with an average value having an aggregate value of \$82.42. If the average value is \$32.00 or more but less than \$34.00 (or less than \$32.00 and Hoosier Hills elects not to terminate the merger) each Hoosier Hill share will convert into the lesser of (a) 1.8633 shares of National City common stock or (b) shares of National City common stock valued at an average value of \$59.63. If the average value is less than \$32.00, Hoosier Hill's board may terminate the merger unless National City agrees to issue shares valued at an average value having an aggregate value of \$59.63.

Using a market value of \$37.75 per share for National City's common stock as of August 3, 1998, the total value of National City stock to be received by Hoosier Hill's shareholders would be approximately \$27,557,450. This represents \$66.20 per common share of Hoosier Hills. The book value of Hoosier Hill's common stock at March 31, 1998, is \$27.41. The purchase price represents a purchase price premium of \$38.79 or 2.42x book value.

Pro forma combined financial statements as of March 31, 1998, reflect a Tier 1 leverage capital ratio of 9.10% for National City. Pro forma total assets for the same date would be \$1,927 billion and total equity capital would be \$195 million.

National City received a satisfactory BOPEC rating from the Federal Reserve Bank of St. Louis at their last holding company inspection as of December 31, 1995. National City's lead bank subsidiary, National City Bank of Evansville, Evansville, Indiana, received a satisfactory CAMELS rating as a result of an OCC examination dated February 23, 1998.

Hoosier Hills received a satisfactory BOPEC rating from the Federal Reserve Bank of Chicago at its last bank holding company examination of June 30, 1995. Ripley County Bank, Osgood, Indiana received a satisfactory CAMEL rating from the DFI during an examination dated September 30, 1996.

All of National City's subsidiary banks and The Ripley County Bank received Satisfactory CRA and Compliance ratings at their previous respective examinations.

After the acquisition, the senior management and the board of directors of the bank will remain unchanged. Fred Crum will continue to serve as President and CEO of the bank.

No negative factors or comments were received by this Department which would adversely affect National City, Hoosier Hills or the communities they serve. The application was approved by Board of Governors of the Federal Reserve System on July 22, 1998.

It is the opinion of the staff that the applicant has satisfactorily met the requirements of IC 28-2-14 and therefore recommends the Members' approval of Hoosier Hills Financial Corporation by National City Bancshares.

After a brief discussion, a motion for approval of the application was made by Mr. Baer and seconded by Mr. Zaleski. The application was unanimously approved.

2. Union Planters Corporation, Memphis, Shelby County, Tennessee

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented the application. Union Planters Corporation ("UPC") applied to the Members of the Department for approval to acquire 100% of AMBANC Corp. ("AMBANC"), Vincennes, Knox County, Indiana, and thereby acquire AMBANC's two wholly-owned bank subsidiaries. The application was filed pursuant to IC 28-2-16.

UPC and AMBANC entered into an Agreement and Plan of Reorganization dated March 31, 1998. The Agreement and Plan of Reorganization provides for the merger of AMBANC with and into Union Planters Holding Corporation, a wholly owned subsidiary of UPC. Initially Union Planters Holding Corporation will operate AMBANC's subsidiary banks as wholly owned subsidiaries of Union Planters Holding Corporation. It is anticipated in the second quarter of 1999, the two AMBANC subsidiary banks will be merged with and into Union Planters Bank, National Association, Memphis, Tennessee.

The proposed transaction consists of an exchange of 0.4841 shares of UPC's common stock for each issued and outstanding share of AMBANC's common stock. AMBANC's book value as of March 31, 1998, was \$10.27. This represents a purchase price premium of \$14.90 or 2.45x book value.

UPC's pro forma combined financial statements of March 31, 1998, reflect a Tier 1 leverage capital ratio of 8.81% for UPC. Total assets for the same date will be \$29.9 billion and total equity capital will be \$2.7 billion.

Both UPC and AMBANC received satisfactory BOPEC ratings at their most recent holding company inspections.

UPC's lead bank subsidiary Union Planters Bank, National Association received a satisfactory CAMEL rating at its most recent safety and soundness OCC examination. Both of AMBANC's bank subsidiaries received satisfactory CAMEL ratings at their most recent OCC examinations.

All of the subsidiaries of UPC and AMBANC were assigned satisfactory CRA ratings at their most recent examinations.

The required publications were made and no negative comments were received by the Federal Reserve Bank of St. Louis or the Department on this acquisition. The Board of Governors of the Federal Reserve System approved their acquisition application on June 24, 1998.

It is the opinion of the staff that the applicant has satisfactorily met the requirements of IC 28-2-16-17(e) and therefore recommends approval of UPC acquiring AMBANC.

After a brief discussion, a motion for approval of the application was made by Mr. Zaleski and seconded by Mr. Smith. **The application was unanimously approved.**

3. Patricia Lee Joseph, Munster, Lake County, Indiana

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented this application. Patricia Lee Joseph (the "Applicant") has applied to the Department for a change of control of First Bancshares, Inc., ("Bancshares"), Highland, Lake County, Indiana, and thereby, indirectly control Centier Bank ("Centier"), Whiting, Lake County, Indiana, pursuant to IC 28-1-2-23.

Applicant currently holds in various capacities, voting power over 25,397 shares or 24.3% of Bancshares common stock. After the proposed transaction, Applicant will have voting power over 35,923 shares or 34.4%.

Bancshares is a one-bank holding company which owns 104,252 shares or 99.7% of the outstanding stock of Centier. Centier is an Indiana state chartered commercial bank with assets of approximately \$742 million.

Michael Schrage, President, CEO and Chairman of the Board of Bancshares and Centier owns 40,354 shares of common stock of Bancshares or 38.6% of its outstanding shares of stock.

Mr. Schrage intends to transfer 10,526 of his shares or 10% of the the outstanding shares to Applicant. Applicant and Mr. Schrage are sister and brother. Applicant and Mr. Schrage will have in aggregate 65,751 shares or 62.9% of Bancshares. The transfer of the shares is being made for estate planning purposes.

Bancshares received a satisfactory BOPEC rating at their most recent holding company inspection and Centier received a satisfactory CAMELS rating at its most recent DFI examination of June 30, 1997.

Centier was examined for compliance with the Community Reinvestment Act and was assigned a satisfactory rating.

The change of control will have no effect on Centier.

The Federal Reserve Bank of Chicago is expected to approve this application later this month.

The application for change of control meets the criteria of IC 28-1-2-23 and the staff recommended approval.

A motion for approval of the application was made by Mr. Zaleski and seconded by Mr. Depasse. **The application was unanimously approved.**

DIRECTOR'S COMMENTS AND REQUESTS

- A.) Mr. Gary M. Smith was elected Vice Chairman, replacing Mr. Norman Lowery. A motion was made by Mr. Depasse and seconded by Mr. Zaleski. **The motion was unanimously approved.**
- B.) The Director advised the Members of actions pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

DIVISION OF BANK AND TRUST COMPANIES

1.) **FIRST FARMERS BANK AND TRUST COMPANY, CONVERSE, MIAMI COUNTY, INDIANA**

The bank has applied for approval to relocate a branch banking office from **36 West 5th Street, Peru, Miami County, Indiana** to **122 South Broadway Street, Peru, Miami County, Indiana**. The application was received on May 26, 1998. The proposed branch will be a 3,250 square foot permanent branch banking facility being constructed near downtown Peru. The bank purchased the property from five various owners in Peru for approximately \$250M on May 15, 1998. The estimated cost for constructing the branch is \$325M. Furniture, fixtures and equipment costs are approximated at \$192M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank plans to move into a temporary site at the proposed new location immediately upon regulatory approval. The bank will lease a trailer from Dillman, Inc. for \$700 per month until the proposed permanent site is completed. Construction of the proposed site is expected to be completed in February 1999. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the FRB as of February 17, 1998. The bank's three-year average ROA is 1.44%. As of March 31, 1998, the Tier I leverage capital ratio is 7.15%. The investment in total fixed assets to total capital will increase from 29.09% before the proposed relocation to 34.86% following the relocation of the branch. **The Director approved this on July 8, 1998, under Delegated Authority.**

2.) **MONROE COUNTY BANK, BLOOMINGTON, MONROE COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be

located at **800 Bell Trace Circle, Bloomington, Monroe County, Indiana**. The application was received on June 3, 1998, and the branch will be known as "**Bell Trace Branch**". The proposed branch is a 440 square foot office inside the Bell Trace Retirement Community. The bank is leasing the space from CarDon & Associates, Inc., Bloomington, Indiana. The bank will pay CarDon & Associates, Inc. a monthly fee which is the greater of \$375 or the result of a variable fee calculation based on deposits, trust assets under management and other fees.

The maximum monthly fee is \$1,200. The initial term of the lease will be for three years. The bank has the option to renew for four extensions at three years each. It is estimated that there will be \$5M worth of leasehold improvements to make the site into a banking facility.

Furniture, fixtures and equipment costs are approximated at \$36M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a Satisfactory CAMEL rating as a result of a FDIC examination as of June 30, 1997. The bank's three-year average ROA is 1.40%. As of March 31, 1998, the Tier 1 leverage capital ratio is 8.97%. The investment in total fixed assets to total capital will increase from 19.25% to 19.38% following the establishment of the proposed branch. This will be the institution's eleventh branch. **The Director approved this on July 8, 1998, under Delegated Authority.**

3.) **IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied for approval to establish two full service branch-banking offices. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a joint examination conducted by the DFI and FRB as of February 24, 1998. As of March 31, 1998, Tier 1 leverage capital ratio is 7.17%, and the bank's ROA is 1.14%. The investment in total fixed assets to total capital will increase from 13.03% before the addition of the two proposed branches to 13.57% following the two branches.

The first branch is to be located inside of a Kroger Supermarket at **1175 College Mall Road, Bloomington, Monroe County, Indiana**. The application was received on June 12, 1998 and the branch is to be called **Irwin Union Bank and Trust Company**. The bank proposes to lease approximately 386 square feet from the Kroger Company, an Ohio Corporation. The term of the lease is for five (5) years and requires annual rental of \$24,000 due in monthly payments of \$2,000. Leasehold improvements are projected to cost \$110M and furniture, fixtures, and equipment are projected at \$90M. This will be the institution's eighteenth branch. **The Director approved this on July 8, 1998, under Delegated Authority.**

4.) **IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The second branch is to be located inside of a Kroger Supermarket at **529 South College Avenue, Bloomington, Monroe County, Indiana**. The application was received on June 12, 1998 and the branch is to be called **Irwin Union Bank and Trust Company**. The bank proposes to lease approximately 736 square feet from the Kroger Company. The term of the lease is for five (5) years and requires annual rental of \$24,000 due in monthly payments of \$2,000. Leasehold improvements are projected to cost \$110M and furniture, fixtures, and

equipment are projected at \$90M. This will be the institution's nineteenth branch. **The Director approved this on July 8, 1998, under Delegated Authority.**

5.) **HARRISON COUNTY BANK, PALMYRA, HARRISON COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **4303 Site #2 Charlestown Crossing, New Albany, Floyd County, Indiana**. The application was received on May 26, 1998, and the branch will be known as "**Charlestown Crossing**". The bank is proposing to construct a 4,875 square foot branch. The bank has an option to buy the land for \$375M from J&S Builders, Inc. The cost to construct the building is projected at \$400M. The contractor is James L. Shireman, Inc. Owners of the company are brothers and father to Director Mike Shireman. The bank has provided the Department construction costs for other recently constructed bank facilities by this company, which are comparable to the projections for this facility. The transaction is considered to have been negotiated at arms-length. The company also constructed the bank's main office in 1992. Furniture, fixtures and equipment costs are approximated at \$175M. The bank received a Satisfactory CAMELS rating as a result of a DFI examination as of June 30, 1997. The bank's three-year average ROA is 1.38%. As of March 31, 1998, the Tier 1 leverage capital ratio is 13.38%. The investment in total fixed assets to total capital will increase from 17.49% to 25.62% following the establishment of the proposed branch. This will be the institution's fifth branch. **The Director approved this on July 8, 1998, under Delegated Authority.**

6.) **FIRST BANK & TRUST, S.B., PARIS, EDGAR COUNTY, ILLINOIS**

An application for issuance of a certificate of admission was received from the First Bank & Trust, S.B. ("First Bank") on June 30, 1998. First Bank filed the application to enable it to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. First Bank is incorporated as a state-chartered savings bank under the laws of the State of Illinois. The application states that the bank intends to provide automated teller machine services and establish a loan production office. First Bank has appointed David M. Frisse, Attorney at Law, 4531 South Seventh Street, Terre Haute, Vigo County, Indiana, as resident agent for service of legal process. **A Certificate of Admission was issued by the Director on July 8, 1998, under Delegated Authority.**

7.) **HARBOUR TRUST & INVESTMENT MANAGEMENT COMPANY, MICHIGAN CITY, LAPORTE COUNTY, INDIANA**

The corporate fiduciary has applied to the Department for approval to establish a trust office to be located at **3001 Leonard Drive, Suite 100, Valparaiso, Porter County, Indiana**. The application was received on June 23, 1998. Applicant will lease the premises from Brown Inc., which is owned by shareholder, Leonard J. Brown for \$12.00 per square foot plus monthly common area maintenance assessment. The corporate fiduciary provided an independent analysis of comparable leased property in the Valparaiso area. The independent analysis showed that the proposed price per square foot to be charged was as beneficial to the corporate fiduciary as any other leased property in the Valparaiso area. The proposed office will be a 1,200 square foot office on the first floor of the Eastporte Centre Tower building.

The corporate fiduciary will lease the space from Brown Inc., Michigan City, Indiana, for an annual rental of \$20,400 due in equal monthly installments. The term of the lease is for five years with two, five year renewal options. It is estimated that there will be \$7M worth of leasehold improvements to the site. The estimated cost for furniture, fixtures, and equipment is \$35M. The corporate fiduciary opened for business August 18, 1997. The corporate fiduciaries first examination is scheduled for the fall of 1998. A visitation was conducted by the DFI on February 23 and 24, 1998. No significant problems were noted during the visitation. As of May 31, 1998, the corporate fiduciary had net income of \$27M and equity capital of \$1,431M. The corporate fiduciaries revised projected net income for calendar year 1998, is \$82M. The estimated net income projections for the first three years of the Valparaiso office are \$13M, \$145M and \$251M. The addition of the Valparaiso office would have no effect on the capital of the corporate fiduciary. This will be the institution's second office. **The Director approved this on July 8, 1998, under Delegated Authority.**

8.) **FIRST BANK OF BERNE, BERNE, ADAMS COUNTY INDIANA**

The bank has applied for approval to open a branch banking office to be located at **404 North Main Street, Bluffton, Wells County, Indiana**. The application was received on June 1, 1998. The name of the branch will be **First Bank of Berne Bluffton Branch**. The proposed branch is a 4,500 square foot branch banking facility. The applicant has agreed to purchase the property from Kenneth E. Steffen, Bluffton, Indiana for \$400M. The estimated cost for constructing the branch is \$1,000M. Furniture, fixtures, and equipment are estimated to cost \$237M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of June 30, 1997. The bank's three-year average ROA is 1.38%. As of March 31, 1998, the Tier I leverage capital ratio is 13.25%. Total fixed assets will increase from 8.96% before the opening of the branch to 14.34% after the branch is opened. This will be the institutions third branch. **The Director approved this on July 27, 1998, under Delegated Authority.**

9.) **FIRST CITIZENS STATE BANK, NEWPORT, VERMILLION COUNTY, INDIANA**

The bank has asked for an extension for the establishment of its proposed branch located at **1775 East State Road 163, Clinton, Vermillion County, Indiana** until December 31, 1998. The branch was approved under delegated authority on July 3, 1997, and is to be known as **First Citizens State Bank**. Problems with the engineering and surveying, primarily with the access road, have delayed the start of the construction of the branch. Construction is anticipated to commence around mid-July and should be completed in approximately four months. **The Director approved this on July 27, 1998, under Delegated Authority**

10.) **TERRE HAUTE SAVINGS BANK, TERRE HAUTE, VIGO COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located at **4740 South Highway 41, Terre Haute, Vigo County, Indiana**. The application was received on June 11, 1998. The name of the branch will be **Terre Haute Savings Bank**. The proposed branch is a 2,500 square foot branch banking facility. The applicant has an option to purchase the property from Gerald L. Modesitt for \$550M. The estimated cost for constructing the branch is \$548M. Furniture, fixtures, and equipment are estimated to cost \$112M. No insider relationship exists

between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMELS rating as a result of an examination conducted by the FDIC as of September 30, 1997.

The bank's three-year average ROA is 0.68%. As of March 31, 1998, the Tier I leverage capital ratio is 12.74%. Total fixed assets to total capital will increase from 12.28% before the opening of the branch to 20.90% after the branch is opened. This will be the institutions first branch. **The Director approved this on July 27, 1998, under Delegated Authority**

11.) **SALIN BANK AND TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has requested permission to relocate a branch office **from Highway 421 West, Delphi, Carroll County, Indiana to 102 South Market Street, Delphi, Carroll County, Indiana**. The application was received on July 20, 1998 and the branch will be known as **Salin Bank and Trust Company - Delphi**. The bank's lease at the current location expires in the near future. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank is proposing to construct a 1,352 branch for a projected cost of \$200,000 on land already owned by the bank. Furniture, fixtures, and equipment from the current location will be used at the new location. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of December 31, 1996. As of March 31, 1998, Tier 1 leverage capital ratio is 8.25%. The bank's three year average ROA is 1.16%. The investment in total fixed assets to total capital will increase from 24.00% before the relocation to 25.17% following the relocation. **The Director approved this on July 27, 1998, under Delegated Authority**

DIVISION OF CREDIT UNIONS

1.) **GENERAL CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Historic Zion Evangelical Lutheran Church/Zion Lutheran Academy
Fort Wayne - 739 members

The Director approved this on July 9, 1998, under Delegated Authority.

2.) **HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

4th Street Mercantile – Huntingburg - 2 members
Cave Contracting – Dubois – 6 members

Hoosier Hills Cable Co. – Mitchell – 7 members
Kinder Realty & Associates – Mitchell – 9 members
King Chiropractic Clinic – Mitchell – 2 members
Signs Now #340 – Evansville – 5 members
Techumseh Products Co., Salem Operations – Salem – 605 members
Calvary Lutheran Church – Bedford – 270 members
Salem United Church of Christ – Huntingburg – 700 members

The Director approved this on July 9, 1998, under Delegated Authority.

3.) HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Orange County Child Care Cooperative, Inc. – Paoli – 70 members

The Director approved this on July 13, 1998, under Delegated Authority

4.) PERFECT CIRCLE CREDIT UNION, HAGERSTOWN, WAYNE COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Old Order Amish Church of Wayne, Henry, and Randolph Counties
Hagerstown – 91 members
New Castle-Henry County Public Library – New Castle – 33 members
United Product Sales, LLC – South Bend – 10 members
McKown Studio & Galleries – New Castle – 4 members

The Director approved this on July 20, 1998, under Delegated Authority

5.) TECH CREDIT UNION, CROWN POINT, LAKE COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

E K Industries, Inc.- Joliet, Ill. – 8 members
Gareda Diversified Business Services, Inc. – Calumet City Ill. – 30 members
Harbor Light Hospice – Merrillville – 24 members

Health Claim Services, Inc. – Crown Point – 1 member

Phoenix Fire Systems, Inc. – Mokena, Ill. – 5 members

The Director approved this on July 23, 1998, under Delegated Authority

6.) TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

T & U Electric Service, Inc. – Indianapolis – 16 members

DataComLink, Inc. – Indianapolis – 26 members

Frye Brokerage Co., Inc. – Indianapolis – 7 members

Colliers Turley Martin Tucker – Indianapolis – 150 members

Ace Air, Inc. – Indianapolis – 26 members

That Computer Store – Indianapolis – 9 members

This was approved by the Director on August 3, 1998, under Delegated Authority

7.) TEACHERS CREDIT UNION, SOUTH BEND, SAINT JOSEPH COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Williams Development, Inc.- South Bend – 3 members

Red Sky Investments – Walkerton. – 2 members

Master Machinery Movers, Inc. – South Bend – 5 members

J.D.'s Restaurant Cleaners – South Bend – 3 members

H.O.P.E. Counseling Services – Crawfordsville – 1 member

The Diversified Real Estate Group, Inc./Diversified Property Management Co.

Elkhart – 1 member

Roofers Local #23 – South Bend – 200 members

Tru Tech Design – Crawfordsville – 3 members

LifeSpan Counseling Services – Granger – 2 members

Especially Kids – Greenwood – 18 members

Infrared Consultants, Inc. – Walkerton – 2 members

T's Below the Hill – Walkerton – 5 members

Yeddo Baptist Church – Yeddo – 20 members

Hubbard Hill Estates, Inc. – Elkhart – 70 members

Electrical Mechanical Services, Inc. – Indianapolis – 3 members

Oxford Automotive – Greencastle – 210 members

This was approved by the Director on August 3, 1998, under Delegated Authority.

8.) HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Life Tabernacle – Springville – 200 members
Peerless Pentecostal Church – Peerless. – 16 members
Donica Memorial Church of God – Bedford – 100 members
Cornerstone Metalworks, Inc. – Bedford – 5 members
Guthrie Creek Primitive Baptist Church – Orleans – 15 members

This was approved by the Director on August 3, 1998, under Delegated Authority

9.) GENERAL CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Schmidt Electric, Inc. – Fort Wayne – 25 members
Smart Financial Group, Inc. – Fort Wayne – 4 members
Murray Equipment, Inc. – Fort Wayne – 54 members

This was approved by the Director on August 4, 1998, under Delegated Authority

DIVISION OF CONSUMER CREDIT

- 1.) ABC Credit, Corporation** is requesting a consumer loan license. Applicant is based in Evansville, IN. They will be making consumer loans. They will be servicing their loans. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 2.) Advance America, Cash Advance Centers of Indiana, Inc. d/b/a Advance America; Advance America, Cash Advance Centers** is requesting a consumer loan license. Applicant is based in Spartanburg, SC. Loans in Indiana will be made at three locations. They will be making payday loans. They will be servicing their loans. They currently operate in eleven states. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 3.) CMM of Indiana, LLC d/b/a Cash Mart** is requesting a consumer loan license. Applicant

is based in New Albany, IN. Loans in Indiana will be made in New Albany and three other branches. They will be making payday loans. They will be servicing their loans. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**

- 4.) **Robert J. Arnold d/b/a CR Services** is requesting a consumer loan license. Applicant is based in Lafayette, IN with one branch in Fort Wayne. They will be making payday loans. They will be servicing their loans. They are currently licensed as a check casher under #008-025. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 5.) **First Financial Funding Group, Inc.** is requesting a consumer loan license. Applicant is based in Mission Viejo, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in twelve states. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 6.) **First Street Mortgage Corp. d/b/a Ameriloan** is requesting a consumer loan license. Applicant is based in Jacksonville, FL. They will open a branch in Indiana in next 90 days. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 21 states. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 7.) **Michigan Fidelity Acceptance Corporation d/b/a Franklin Mortgage Funding, Inc.** is requesting a consumer loan license. Applicant is based in Southfield, MI. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by a title company. They currently operate in Kansas, Michigan, and Missouri. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 8.) **Greater Acceptance Mortgage Corp.** is requesting a consumer loan license. Applicant is based in Orange, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in eight states. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 9.) **GreenPoint Credit Corp.** is requesting a consumer loan license. Applicant is based in San Diego, CA. Loans in Indiana will be made at one location in Indianapolis. They will be making manufactured housing loans. They will be servicing their loans. Greenpoint Credit Corp. is acquiring the operating assets of Bank America Housing Services, a division of Bank

of America, FSB. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**

- 10.) **Pacific Shore Funding** is requesting a consumer loan license. Applicant is based in Lake Forest, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in seventeen states. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 11.) **Robert J. Matijevich d/b/a Pay Day Today** is requesting a consumer loan license. Applicant is based in Hobart, IN. They will be making payday loans. They will be servicing their loans. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 12.) **The Homestead Mortgage Company d/b/a Peoples Mortgage Company, Lahser Center Mortgage Company, Home Financial Services, Inc., Homestead Funding USA, Inc. and Homestead USA, Inc.** is requesting a consumer loan license. Applicant is based in Southfield, MI. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in seven states. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 13.) **The Money Market, Inc. d/b/a The Money Market** is requesting a consumer loan license. Applicant is based in New Albany, IN. They will be making payday loans. They will be servicing their loans. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 14.) **James E. Stevens, Hazel Stevens, and Norma Stevens d/b/a Triple S Pawn** is requesting a consumer loan license. Applicant is based in Greencastle, IN. They will be making payday loans. They will be servicing their loans. They are currently licensed under Pawnbroker #004-265. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**
- 15.) **D-Man Corporation d/b/a American Pawn** is requesting a pawnbroker license. Applicant is based in Fort Wayne, IN. Ron Greenway, the manager, formerly worked for EZ Pawn. All references were satisfactory. Interview with applicant was conducted by Field Supervisor Benbow and Division Supervisor Tarpey. A review of needed compliance with state law and

local ordinances was made. Applicant appeared willing and able to comply. Applicant is recommended for approval. **The Director approved this on June 30, 1998, under Delegated Authority.**

16.) Toyota Motor Insurance Services and Ibex Guaranteed Auto Protection Program is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based at Torrance, CA. There is a contractual liability policy issued by United Financial Casualty Company. Terms of the agreement are:

1. \$385 max charge to customer.
2. 30 day free look subject to a \$25 fee.
3. Pro-rata refund to customer upon prepayment.
4. Customer deductible covered up to \$500.
5. Purchase is voluntary, not a condition to the extension of credit.

They currently operate in 12 states. The initial dealers requesting approval are Dan Young of Indianapolis and Tipton, IN. All future dealers will agree to abide by the same terms as those approved. Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202(1)(c). **The Director approved this on June 30, 1998, under Delegated Authority.**

APPROVED:

ATTEST:

Norman L. Lowery, Chairman

J. Philip Goddard, Secretary